Status of Disposition and Development Strategy for Alameda Point

Alameda Reuse and
Redevelopment Authority
December 7, 2011

Presentation Outline

- Disposition Issues under Evaluation
  - Property
  - Entitlement
  - Transportation and Infrastructure
 - Solicitation and Transaction
  - Funding
- Initial Findings

Property

- Focus of initial property disposition
  - Phase 1
  - Entire Property
- Amount of Phase 1 area to be included
- Areas retained by ARRA for long-term leasing
  - State Lands
  - Historic District
- Approach to the Northwest Territories

Entitlement

- Level of entitlement fronted by ARRA before disposing of property
  - Zoning
  - Planned Development Plan
  - Density Bonus
  - Large Lot Subdivision
  - Architectural Review Standards
  - Environmental Review
    - Addendum
    - Project EIR
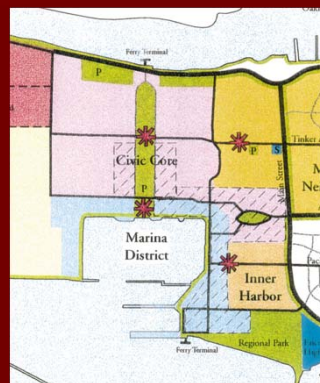
Entitlement *(cont.)*

- ARRA could use previous Environmental Impact Reports (EIR) to amend the General Plan and zoning consistent with the Reuse Plan
- Effects of entitlement certainty on enhancement of land value and performance


Entitlement *(cont.)*

- Extent and timing of involvement from development community to ensure market and financial feasibility
- Relationship between entitlement certainty and risk assumed by ARRA

Transportation and Infrastructure

- Approach to addressing transportation and infrastructure issues in the planning documents
  - Transit-oriented development
  - Multi-modal options
  - TDM/TSM
  - Variety of strategies
- Method for addressing these issues for the whole base, and implementing them on a phased basis

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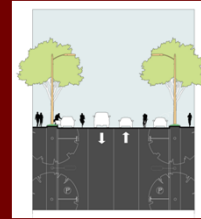
Transportation and Infrastructure *(cont.)*

- Methods for ensuring effectiveness of transportation measures
- Approach to developing backbone infrastructure may vary depending on strategy
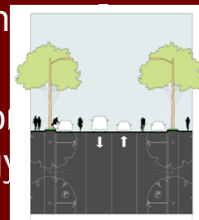
Solicitation and Transaction

- Definition of the role of developer
  - Advisor to ARRA
  - Leader of the process
- Methods for enhancing competition among potential developers
- Process for soliciting developers
  - Request for Qualification
  - Request for Qualification and Proposals
  - Bidding process

Solicitation and Transaction *(cont.)*

- Achieving balance between maximizing land value and minimizing ARRA risk
- Assurances of timely performance and avoidance of land banking
- Methods for contracting with developers to achieve different approaches
  - Professional Services Contract
  - Exclusive Negotiation Agreement
  - Purchase and Sale Agreement
  - Disposition and Development Agreement

Funding

- Level of ARRA investment in upfront costs and its affect on other objectives (i.e., land value and performance)
- Reimbursement of ARRA upfront costs
- Review of ARRA's projected fund balance over the next three years
- Other options for low-cost predevelopment capital

Initial Findings

- Staff has discussed and evaluated these questions with a team of staff, legal advisors and consultants, as well as with the development community
- Focusing on phased disposition may:
  - Increase interest from developers
  - Reduce development risk
  - Expedite development
  - Enhance ARRA control over performance
  - Allow for greater flexibility to respond to market conditions

Initial Findings *(cont.)*

- Given current economic conditions, obtaining high-risk predevelopment capital may be difficult and expensive and limit developer pool
- Greater entitlement certainty prior to disposition improves potential for community acceptance, reduces risk, and enhances land value
- Early involvement by the development community helps ensure market and financial feasibility of entitlements
- A competitive disposition process can enhance land value and possibly development plan

Initial Findings *(cont.)*

- Any phased disposition process needs to carefully account for the planning, infrastructure, and transportation needs of future phases
- While ARRA funds could help pay for some entitlements, other low-cost funds should be obtained, if an ARRA entitlement effort is undertaken
- ARRA and other funds could be directly reimbursed through a transaction with the developer(s)